

**ENTERPRISE
FUNDS**

**W A T E R
F U N D**

WATER FUND

MISSION STATEMENT: To develop, treat and distribute high quality water to meet the needs of Amherst residents and to do so through a user fee based revenue system.

WATER FUND SUMMARY

		FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
Operating Revenues	\$	2,811,112	2,880,179	2,924,563	2,976,492	2,821,600	(154,892)	-5.2%
Interest	\$	39,176	94,000	34,015	40,000	16,094	(23,906)	-59.8%
State Grants	\$	273,877	273,877	273,877	273,877	273,877	0	0.0%
SUBTOTAL REVENUES	\$	3,124,165	3,248,056	3,232,454	3,290,369	3,111,571	(178,798)	-5.4%
Borrowing								
Authorizations	\$	0	0	0	0	0	0	0.0%
Other Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	149,808	0	0	95,910	234,621	138,711	144.6%
TOTAL RESOURCES	\$	3,273,973	3,248,056	3,232,454	3,386,279	3,346,192	(40,087)	-1.2%
Operating Budget	\$	1,789,211	1,893,666	1,878,064	1,931,094	1,998,757	67,662	3.5%
Gen. Fund Services	\$	327,536	329,967	329,967	325,424	318,641	(6,783)	-2.1%
Debt Service	\$	520,226	513,423	513,423	502,761	498,794	(3,967)	-0.8%
Capital Program	\$	637,001	511,000	511,000	627,000	530,000	(97,000)	-15.5%
TOTAL APPROPRIATION	\$	3,273,973	3,248,056	3,232,454	3,386,279	3,346,192	(40,087)	-1.2%

WATER FUND**RESOURCES**

GOAL STATEMENT: To provide an adequate amount and proper balance of revenue sources to ensure that the Water Fund is completely self-supporting.

CONTINUING OBJECTIVES:

To maintain water rates that provide for the operation of the Water System without subsidies from the Town's tax levy.

LONG RANGE OBJECTIVES:**FY 06 OBJECTIVES:**

To maintain water rates at current levels.

SERVICE LEVELS:

	<u>FY 00</u> <u>Actual</u>	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>
Funding Composition (%)					
Operating Revenues	88	86	86	81	91
Interest	3	5	5	4	1
Surplus Funds	0	0	0	6	0
Grants	9	9	9	9	8
Other Available Funds	0	0	0	0	0

WATER FUND**RESOURCES**

	FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
Water Rates	\$ 2,716,666	2,825,179	2,950,539	2,900,000	2,751,600	(148,400)	-5.1%
Water Liens	31,272	25,000	59,767	30,000	30,000	0	0.0%
Water Connection Fees	14,665	10,000	33,050	15,000	15,000	0	0.0%
Other Water Revenues	48,562	20,000	55,545	25,000	25,000	0	0.0%
Interest	39,176	94,000	34,015	40,000	16,094	(23,906)	-59.8%
State Grants	273,877	273,877	273,877	273,877	273,877	0	0.0%

SIGNIFICANT BUDGET CHANGES:

In July, the Select Board voted to eliminate the top tier of the Town's 3-tier water rate. Due to this and conservation efforts, in particular by the Town's largest user of water (UMass), revenues are projected to decrease in FY 06.

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

GOAL STATEMENT: To supply adequate volumes of high quality water to the citizens of Amherst and to maintain compliance with all Environmental Protection Agency Regulations.

CONTINUING OBJECTIVES:

To maintain an up to date preventative maintenance program on all equipment.
 To continue monitoring water quality through an aggressive water sampling program.
 To flush all water mains annually to improve water quality.
 To maintain equipment and facilities in top operating condition.
 To work with major water consumers to encourage water conservation.
 To optimize the treatment processes to reduce formation of disinfection byproducts and improve filtration of disease causing organisms.

LONG RANGE OBJECTIVES:

To investigate new sources of water.
 To repair/replace old water mains, valves and hydrants.
 To complete and implement a new GIS mapping system that will accurately locate all water utilities.

FY 06 OBJECTIVES:

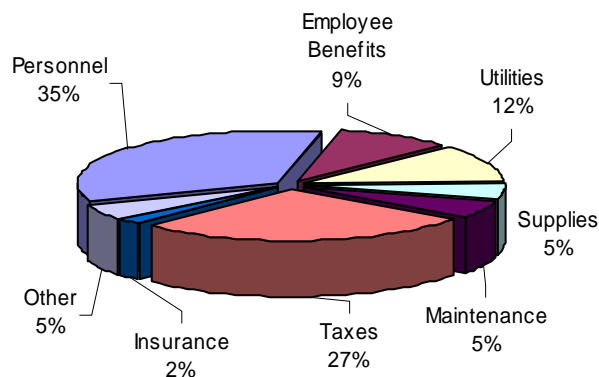
To complete the rehabilitation of Well #1 and the new chemical feed facility.
 To paint the exterior of the East Pleasant Street water storage tank.

SERVICE LEVELS:

	<u>FY 00</u> <u>Actual</u>	<u>FY 01</u> <u>Actual</u>	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Actual</u>	<u>FY 04</u> <u>Actual</u>
New water services installed	28	27	30	52	42
Water service relays	23	6	1	6	10
Water services	6,103	6,130	6,193	6,243	6,301
Water metered & produced (billion gals)	1.39	1.35	1.33	1.34	1.34
Positive coliform bacteria samples	0	1	0	0	0
Regular water meter readings	24,412	24,520	24,772	24,972	24,367
Meters installed	315	301	165	164	285
Hydrants in service	914	916	916	931	940
Frozen water services	0	0	0	0	0
Hydrants repaired	19	23	9	17	15
Water mains flushed (miles)	113	113	113	113	10
Water main breaks repaired	11	7	12	7	9

WATER FUND**4450: WATER SUPPLY AND DISTRIBUTION**

		FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
Personnel Services	\$	684,264	765,107	727,023	822,056	874,428	52,371	6.4%
Operating Expenses	\$	1,100,948	1,124,159	1,147,407	1,104,638	1,119,929	15,291	1.4%
Capital Outlay	\$	3,998	4,400	3,635	4,400	4,400	0	0.0%
TOTAL APPROPRIATION	\$	1,789,211	1,893,666	1,878,064	1,931,094	1,998,757	67,662	3.5%
SOURCES OF FUNDS								
Water Revenues	\$	1,789,211	1,893,666	1,878,064	1,931,094	1,998,757	67,662	3.5%
POSITIONS								
Full Time		12.92	13.00	13.00	14.00	14.50	0.50	
Part Time with Benefits		0.00	0.00	0.00	0.00	0.00	0.00	
Full Time Equivalents		12.92	13.00	13.00	14.00	14.50	0.50	

MAJOR COMPONENTS:

Personnel Services include salaries for the Water Resources Director (shared with the Sewer Fund), one division director, one division supervisor, four water treatment operators, one skilled laborer, two maintenance workers, one meter reader, a mechanic and a quarter of a watershed land manager. The Town Engineer, a junior engineer, and an assistant to the Superintendent of Public Works are shared with the General Fund and the Sewer Fund. An electrician, a utility technician and a GIS administrator are shared with the Sewer Fund. An electrician is also shared with the Sewer Fund and the Schools. Also included is \$57,289 for overtime and \$185,591 for health, retirement, life insurance and other benefits.

Utilities include \$200,000 for electricity and \$23,000 for fuel.

Maintenance, \$109,500, includes funds to repair dams, bridges, service lines and meters.

Supplies, \$98,200, includes funds for gasoline, office supplies and chemicals.

Taxes, \$549,121, are paid to Amherst, Pelham, and Shutesbury for watershed property.

Insurance, \$44,183, provides building, vehicle and liability coverage.

SIGNIFICANT BUDGET CHANGES AND UNFUNDED NEEDS:

Personnel services increases include Water Fund share of increases to employee health insurance costs (\$20,089), retirement assessments (\$21,372). An additional electrician is added at a cost of \$48,572. This position is shared with Water and Sewer Funds contributing 25% each (\$12,190) and Schools 50% (\$24,380). Fuel budget increases by \$5,000 (28%) and electricity increases by \$10,000.

WATER FUND**GENERAL FUND SERVICES**

GOAL STATEMENT: To compensate the General Fund for services provided by various departments.

CONTINUING OBJECTIVES:

To ensure that all costs related to water services are identified and appropriately charged through evaluation and modification of the indirect cost model used to assess charges for General Fund administrative support.

LONG RANGE OBJECTIVES:**FY 06 OBJECTIVES:**

To consider converting indirect charges for some General Fund Services to direct expenses included in the Water Fund.

SERVICE LEVELS:

	<u>FY 00 Actual</u>	<u>FY 01 Actual</u>	<u>FY 02 Actual</u>	<u>FY 03 Actual</u>	<u>FY 04 Actual</u>
Number of departments reimbursed	9	9	10	10	10

WATER FUND**GENERAL FUND SERVICES**

		FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
General Fund Services	\$	327,536	329,967	329,967	325,424	318,641	(6,783)	-2.1%
Transfer to Trust Funds	\$	0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	327,536	329,967	329,967	325,424	318,641	(6,783)	-2.1%
SOURCES OF FUNDS								
Water Revenues	\$	327,536	329,967	329,967	325,424	318,641	(6,783)	-2.1%

MAJOR COMPONENTS:

General Fund Services: The General Fund provides services which are used by the Water Fund. Transfers are made from the Water Fund to the General Fund to compensate for the costs of these services. Charges for FY 06 are as follows:

Select Board / Town Manager	7% of budget	\$16,649
Finance Department	9% of budget	81,523
Human Resources	5% of budget	15,488
Human Rights	5% of budget	3,233
Information Technology	5% of budget	16,928
Public Works Administration	29% of budget	79,514
Construction & Maintenance	5% of budget	31,902
Equipment Maintenance	12% of budget	44,933
Conservation	5% of budget	11,159
Town Hall Debt	6% of budget	15,312
Health		<u>2,000</u>
TOTAL		<u>\$318,641</u>

SIGNIFICANT BUDGET CHANGES:

The reimbursement to the Information Technology department is increased to \$16,928 to cover support services. All other reimbursements reflect a net decrease from FY 05.

WATER FUND**DEBT SERVICE**

GOAL STATEMENT: To provide funds for principal and interest payments for short and long term debt.

CONTINUING OBJECTIVES:

To evaluate and recommend appropriate debt service levels for this Fund.

LONG RANGE OBJECTIVES:**FY 06 OBJECTIVES:**

To make payments on debt incurred to build the Atkins Treatment Plant.

To make payments on debt incurred to reconstruct South East Street water mains.

SERVICE LEVELS:

	FY 00 <u>Actual</u>	FY 01 <u>Actual</u>	FY 02 <u>Actual</u>	FY 03 <u>Actual</u>	FY 04 <u>Actual</u>
Number of issues outstanding	2	2	2	2	2
Number of new issues	0	0	0	0	0

WATER FUND**DEBT SERVICE**

		FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
Principal	\$	309,395	309,396	309,395	307,671	313,599	5,928	1.9%
Interest	\$	210,830	204,027	204,027	195,090	185,195	(9,895)	-5.1%
TOTAL APPROPRIATION	\$	520,226	513,423	513,423	502,761	498,794	(3,967)	-0.8%
SOURCES OF FUNDS								
Water Revenues	\$	520,226	513,423	513,423	502,761	498,794	(3,967)	-0.8%

MAJOR COMPONENTS:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Atkins Treatment Plant	\$262,464	\$170,145	\$432,609
South East Water Main	<u>51,135</u>	<u>15,050</u>	<u>66,185</u>
	<u>\$313,599</u>	<u>\$185,195</u>	<u>\$498,794</u>

SIGNIFICANT BUDGET CHANGES:

None.

WATER FUND**CAPITAL PROGRAM SUMMARY**

GOAL STATEMENT: To provide for the maintenance, improvement and enlargement of the Town's water system.

CONTINUING OBJECTIVES:

To maintain a capital plan that ensures the safe, adequate supply of water to the Town.

LONG RANGE OBJECTIVES:**FY 06 OBJECTIVES:**

To continue contributions to improving the Public Works Facility.
 To repaint the Village Park water tank.
 To continue a program of system improvements.
 To upgrade the locks and alarms.

SERVICE LEVELS:

	FY 00 <u>Actual</u>	FY 01 <u>Actual</u>	FY 02 <u>Actual</u>	FY 03 <u>Actual</u>	FY 04 <u>Actual</u>
Number of Projects:					
Departmental Equipment	2	1	1	1	2
Existing Facilities	2	2	2	3	6
New Facilities	1	0	0	0	0

WATER FUND**CAPITAL PROGRAM SUMMARY**

		FY 03 Actual	FY 04 Budget	FY 04 Actual	FY 05 Budget	FY 06 Budget	Change FY 05 - 06	Percent Change
Departmental Equip.	\$	32,001	24,000	24,000	62,000	0	(62,000)	-100.0%
Existing Facilities	\$	605,000	487,000	487,000	565,000	530,000	(35,000)	-6.2%
New Facilities	\$	0	0	0	0	0	0	0.0%
TOTAL APPROPRIATION	\$	637,001	511,000	511,000	627,000	530,000	(97,000)	-15.5%
SOURCES OF FUNDS								
Water Revenues	\$	637,001	511,000	511,000	531,090	295,379	(235,711)	-44.4%
State Grants	\$	0	0	0	0	0	0	0.0%
Borrowing Auth.	\$	0	0	0	0	0	0	0.0%
Available Funds	\$	0	0	0	0	0	0	0.0%
Surplus Funds	\$	0	0	0	95,910	234,621	138,711	144.6%

MAJOR COMPONENTS:

Facilities:

360,000

Repaint Village Park
Water Tank

125,000

Atkins Treatment Plant
Updates

40,000

Security System

5,000

DPW Facility
Improvements